

## ANNUITY SAVINGS ACCOUNT ACTIVITY

PERF statutes require earnings for the Guaranteed Fund, and a market value increase or decrease for the Money Market, Bond, S&P 500 Stock Index, and US Small Companies Stock Funds to be credited on the last day of each calendar quarter. Crediting is based on the investment directions you chose and the previous quarter balance of your Annuity Savings Account (IC 5-10.2-2-4)

**Keep in mind, historical returns are not an indicator of future returns.** There are important differences among the Funds. Each of them has a specific investment objective, and other than the Guaranteed Fund, has certain investment risks. You may use more than one Fund in the investment of your Annuity Savings Account. When choosing your investment direction, remember you should take into account your time horizon, tolerance for investment risk, and the importance of diversifying your investments. You should read all Fund descriptions carefully before you complete your Investment Direction Form. Please see the Investing Your Annuity Savings Account Handbook for more information. **Remember you may only change your investment direction once every 12 months.**

### FUND OPTION

### AVERAGE RETURN INFORMATION (After Fees and Expenses)

<u><b>Guaranteed Fund</b></u>	<b>Quarter Ended March 31, 2001</b>	-----Annual Interest Crediting Rates----- 2001      2000      1999      1998      1997				
<b>Current Fund Managers:</b> Combined Managers <i>All managers employed by the PERF Board of Trustees share management</i>	<b>2.06 %</b>	<b>8.25 %</b>	<b>8.25 %</b>	<b>8.25 %</b>	<b>8.25 %</b>	<b>9.00 %</b>

Guaranteed Fund investments include bonds, large capitalization stocks, small capitalization stocks, and other types of diversified investments. However, regardless of the mix of assets, your position in the Guaranteed Fund is based solely on your contributions, plus credited interest. The value of your investment in this fund can never decline, regardless of the actual market value of the investments of the Fund.

<u><b>Money Market Fund</b></u> <i>Inception: July 1, 1986</i>	<b>Quarter Ended March 31, 2001</b>	<b>1 Year</b>	<b>TRAILING PERIOD 3 Year</b>	<b>5 Year</b>
<b>Current Fund Manager:</b> National City Investment Mgmt. Co., Inc.	<b>1.36 %</b>	<b>6.12 %</b>	<b>5.46 %</b>	<b>5.44 %</b>

The investment objective of this Fund is to provide a capital preserving investment with a stable rate of return. The investments of this fund are typically high quality securities maturing in less than 90 days. The investment return comes primarily from the rate of interest earned by the securities, and not from a change in their market value.

<u><b>Bond Fund</b></u> <i>Inception: July 1, 1986</i>	<b>Quarter Ended March 31, 2001</b>	<b>1 Year</b>	<b>TRAILING PERIOD 3 Year</b>	<b>5 Year</b>
<b>Current Fund Manager:</b> Northern Trust Investments, Inc.	<b>3.02 %</b>	<b>12.38 %</b>	<b>8.25 %</b>	<b>8.83 %</b>

The investment objective of this Fund is to replicate the returns of the Lehman Brothers Aggregate Bond Index, a widely accepted proxy for the U.S. bond market. The investment strategy of this Fund is to provide the ability to invest in the U.S. bond market including U.S. Treasuries, Federal Agency Issues, and debt securities of U.S. corporations.

<u><b>S&amp;P 500 Stock Index Fund</b></u> <i>Inception: July 1, 1998</i>	<b>Quarter Ended March 31, 2001</b>	<b>1 Year</b>	<b>TRAILING PERIOD 3 Year</b>	<b>5 Year</b>
<b>Current Fund Manager:</b> Barclays Global Investors	<b>- 11.71 %</b>	<b>- 21.56 %</b>	<b>2.90 %</b>	<b>13.98 %</b>

The investment objective of this Fund is to provide the ability to invest in the broad U.S. stock market, i.e. securities listed with the New York Stock Exchange. The investment strategy of this Fund is to duplicate the Standard & Poor's (S&P) 500 Stock Index. The S&P 500 Index contains 500 leading companies, which vary according to their industry classification and size.

<u><b>U.S. Small Companies Stock Fund</b></u> <i>Inception: July 1, 1998</i>	<b>Quarter Ended March 31, 2001</b>	<b>1 Year</b>	<b>TRAILING PERIOD 3 Year</b>	<b>5 Year</b>
<b>Current Fund Manager:</b> Dimensional Fund Advisors, Inc.	<b>5.89 %</b>	<b>8.04 %</b>	<b>4.72 %</b>	<b>13.93 %</b>

The investment objective of this Fund is to provide the ability to invest in the stock of smaller U.S. companies. The investment strategy is to select the stock of smaller companies anticipated to have a reasonable expectation to outperform the small company benchmark used by the PERF Board of Trustees. The investment return comes almost exclusively from the change in the market value of the securities because most small companies do not consistently pay dividends

**If you have any questions regarding your Quarterly Member Statement of Account or investing your Annuity Savings Account, please contact our Investment Call Center directly at (317) 233-9395 or use our toll-free number 1-888-526-1687.**